

Washington WorkFirst

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Earned Income Tax Credit Can Mean a Fat Refund for Washington Workers

Free Resources Help Families Get Quick Payments

OLYMPIA – Money from the federal government? Many working families and individuals can get up to \$4,300 from the Internal Revenue Service even if they owe no income tax. In a world of too-good-to-be-true offers, this one stands. But to cash in, workers have to file a tax return and claim the Earned Income Tax Credit.

Last year, 21 million people with low and moderate incomes in the United States qualified for the Earned Income Tax Credit (EITC) and received \$36 billion in refunds. IRS studies indicate millions more Americans are eligible but fail to receive a refund.

To close that gap, Washington state is providing free resources to help families take advantage of the EITC, including a toll-free information hotline, referrals to local tax assistance sites, and a link to Web-based software that helps workers electronically prepare taxes at no cost.

“The Earned Income Tax Credit rewards people for working,” said Joann Hairston, coordinator of the state’s EITC outreach campaign. “But millions of federal dollars are going unclaimed because deserving families and individuals simply don’t know the credit is available. Others are needlessly paying to have someone prepare their taxes. Government agencies and nonprofit organizations are working together to educate Washington residents and make it easier for them to get the money they deserve.”

Several free resources are available to help qualified families:

- **Toll-free information hotline**

As in past years, the Employment Security Department has set up a toll-free hotline to answer questions about the EITC and direct callers to free tax assistance sites and WorkSource centers. Hotline staff can also answer questions about the Child Tax Credit, which can save families up to \$1,000 per child.

The EITC hotline number is 1-800-755-5317. Calls are answered 9 a.m. to 6 p.m. Monday-Friday. Hearing impaired persons can call 1-800-833-6388 for TDD/TYY.

- **Free software for preparing taxes**

WorkSource, Washington’s comprehensive career resources partnership, is offering free software on its Web site that helps low- and moderate-income workers electronically prepare taxes and informs them whether

they qualify for the EITC and how much money they will get back. The program is called I-CAN! and is available in both English and Spanish at www.go2worksource.com. Click on “Earned Income Tax Credit.”

Filers can use computers at any of the 23 WorkSource centers and 50 affiliate offices throughout the state, print out forms, and mail them to the Internal Revenue Service. Or users with a personal e-mail account can access I-CAN! at www.go2worksource.com from a home computer and file their taxes electronically for a quicker refund.

- **Free tax assistance sites**

Workers who qualify for the EITC can receive free help filing their taxes at Volunteer Income Tax Assistance sites statewide from January through April. IRS-trained volunteers will help complete and electronically file returns at no cost, for a rapid refund. Services are available in a variety of languages. A list of free tax assistance sites in King County is available on the United Way of King County’s Web site at www.uwkc.org/eitc. For other areas, contact the state EITC hotline at 1-800-755-5317.

To be eligible for the EITC, a qualified filer must have worked in 2004 and have a Social Security number. The amount of the tax credit depends on family size and gross income. Following are eligibility requirements:

Single adults:

- With more than one child can qualify with an income less than \$34,458. Maximum refund is \$4,300.
- With one child can qualify with an income less than \$30,338. Maximum refund is \$2,604.
- With no children can qualify with an income less than \$11,490. Maximum refund is \$390.

Married couples, filing jointly:

- With more than one child can qualify with an income less than \$35,458. Maximum refund is \$4,300.
- With one child can qualify with an income less than \$31,338. Maximum refund is \$2,604.
- With no children can qualify with an income less than \$12,490. Maximum refund is \$390.

Workers who aren’t required to file taxes because their incomes are below the threshold can claim the EITC – but only if they file. Also, workers who expect to qualify for the EITC and have at least one qualifying child can choose to receive part of the credit in each paycheck, rather than an annual refund.

The number of EITC filers in Washington has increased a little each year since 2000. Nearly 335,000 Washington workers filed for the EITC in 2004 and received more than \$539 million in returns.

The state is also reaching out to qualifying families, employers, and community organizations through phone calls and direct mail to inform them about the tax credits.

More information about the EITC is available on the state’s WorkFirst Web site at www.workfirst.wa.gov and from the Internal Revenue Service at www.irs.gov.

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